

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1276 - SB 1201

March 27, 2023

SUMMARY OF BILL AS AMENDED (006120, 006676): Increases, from \$300 per day to \$500 per day, the amount required to be paid as damages by a party to a contract that is withholding retained funds to the owner of the retained funds, for failing to deposit the funds into an escrow account in accordance with state law.

Effective January 1, 2024. Applies to contracts entered into, amended, or renewed on or after that date.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The proposed increase in the daily rate for damages related to retainage in contracts is assumed to mostly impact private parties. To the extent that they may apply to any contracts of state or local government, any fiscal impact related to the proposed changes is estimated to be not significant.
- Any fiscal impact to state or local government is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

/jj

HB 1276 - SB 1201